GENERAL SECRETARIAT

Dated 2nd November 1945.

No. S. R. 1772—L. W. 51-45-2 Under Section 12(4) of the Mysore Labour Act XIII of 1942, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the accompanying report of the Chief Conciliator in Mysore in respect of the failure of conciliation proceedings in the disputes between the Labour Associations and the Managements of the following Mines, over the question of changes in the existing wages, increment and grades system for the several classes and kinds of workers in these Mining Companies :—

(1) The Nandidroog Mines, Ltd., Oorgaum, Kolar Gold Fields.

(2) The Champion Reef Gold Mines of India, Ltd., Champion Reefs, Kolar Gold Fields.

(3) The Mysore Gold Mining Co., Ltd., Marikuppam, Kolar Gold Fields.

(4) The Oorgaum Gold Mining Company of India, Ltd., Oorgaum, Kolar Gold Fields.

MOHAMED ISMAIL SHERIFF, *Gl. Secy.*

OFFICE OF THE CHIEF CONCILIATOR IN MYSORE, BANGALORE.

No. C. C. 4—45-46, *Camp Oorgaum, dated* 31*st October* 1945.

From

M. Navaneetham Naidu, Esqr., B.A., B.L.,
Chief Conciliator in Mysore.

To

Mohamed Ismail Sheriff, Esqr., B.A.,
Secretary to the Government of
H. H. the Maharaja of Mysore,
General Department,
Bangalore.

SIR,

I have the honour to make the following report under Section 12(4) of the Mysore Labour Act, relating to a dispute between the undermentioned Labour Associations and the concerned Managements, at Kolar Gold Fields, in regard to changes in the existing wages, increment and grades system for the several classes and kinds of workers in these Mining Companies :—

Conciliation Case No. 38,38A and 39—44-45.

Labour Association :—	The Nandydroog Mines Labour Association, Oorgaum, Kolar Gold Field.
Management :—	The Nandydroog Mines, Ltd., Oorgaum, Kolar Gold Field.

Conciliation Case No. 41—44-45.

Labour Association :—	The Champion Reef Mines Labour Association, Champion Reefs, Kolar Gold Field.
Management :—	The Champion Reef Gold Mines of India, Ltd., Champion Reefs, Kolar Gold Field.

Conciliation Case No. 44—44-45.

Labour Association :—	The Mysore Mines Labour Association, Oorgaum, Kolar Gold Field
Management :—	The Mysore Gold Mining Co., Ltd., Marikuppam, Kolar Gold Field.

Conciliation Case No. 4—45-46.

Labour Association :—	The Oorgaum Mines Labour Association, Oorgaum, Kolar Gold Field.
Management :—	The Oorgaum Gold Mining Company of India, Ltd., Oorgaum, Kolar Gold Field.

2. These four Labour Associations gave to the concerned Managements Notices of Change, desiring several changes in the existing wages, increments and grades systems for the several classes and kinds of workers, (both underground and surface) in these Mining Companies. The several changes that are demanded are set out in detail in the annexure of each Notice, and are, in the main, the same, in each Association's Notice (except for some small differences), and cover, in all various items, numbering from about 180 to 200. Noted below is a general summary of the several items of demands common in the Notices :—

(i) The minimum basic wage of any Underground workman should not be less than fourteen annas per day.

(ii) The minimum basic wage for any Surface workman should not be less than twelve annas per day.

(iii) Men and women workers should be paid similar wages for similar work.

(iv) Similar wages should be paid for similar work whether the worker belongs to Company or Contract work.

(v) Wages of boys below 17 years of age, and those of apprentices should not be below six annas per day.

(vi) Annual increments should be given to all classes of workers in order to raise their minimum to the maximum of wages in their grade, if the worker had earned 80 per cent of his attendance Bonus and his full privilege leave for the previous year, unless disabled to do so due to hospitalisation. The increment rate should be fixed (as shown therein in the Notice).

(vii) In cases where more than one grade exists for a particular type of work, the worker should be promoted to the next higher grade when he reaches his maximum of his grade.

(viii) All Underground workmen should be paid the scale of wages (shown therein in the Notice) other than those classified under the head of *Special Classification* unless their present scale of wage is higher than what is requested for.

(ix) All Surface workers should be paid the scale of pay (minimum and maximum shown their in the Notice) other than those classified under the head of *Special Classification* unless their present pay is higher that what is requested for.

(x) There are more than 160 classes of workers under Special Classification in whose cases revision of the basic wages fixing of maximum and minimum scale of pay, etc., is asked for, (as detailed in the Notice).

3. The Managements replied to the effect that they are unable, under the present circumstances, to agree to the demands put forth. As the Assistant Commissioner of Labour Kolar Division, Kolar Gold Field could not bring about an agreement between the parties, the Commissioner of Labour referred these cases, to this Office for intiating conciliation proceedings.

4. The cases were accordingly registered, and intimations to all the parties were issued. I held conciliation proceedings at Oorgaum, Kolar Gold Fields on the undermentioned dates.

13th September 1945	4th October 1945
14th do	5th do
15th do	29th do
	30th do

The following representatives of the Labour Associations and of the Managements were present :—

Conciliation Case Nos. 38, 38A, 39—44-45.

Representing loyee :—	Emp-	Mr. A. Rathnasabapathi, President, Nundydroog Mines Labour Association.
Representing loyer :—	Emp-	Mr. R. G. K. Morrison, Superintendent, Nundydroog Mines, Ltd.

Conciliation Case No. 41—44-45.

Representing loyee :—	Emp-	On the 13th, 14th and 15th September, Mr. K. Chengalaraya Reddy, President of the Champion Reef Mines Labour Association, on the other dates, Mr. K. S. Vasan, Secretary of the Association.
Representing loyer :—	Emp-	On the 13th, 14th and 15th September, Mr. J. W. Morgan, Superintendent of the Champion Reef Gold Mines of India, Ltd., on the other dates, Mr. Fitz Patrick, Acting Superintendent of the Mines.

Conciliation Case No. 44—44-45.

Representing loyee :—	Emp-	Mr. V. M. Govindan, Secretary of the Mysore Mines Labour Association.
Representing loyer :—	Emp-	Mr. J. K. Lindsay, Superintendent of the Mysore Gold Mining Co., Ltd.

Conciliation Case No. 4—45-46.

Representing loyee :—	Emp-	Mr. A. K. Jayamuthuraju, President of the Oorgaum Mines Labour Association.
Representing loyer :—	Emp-	Mr. G. Benn White, Superintendent of the Oorgaum Gold Mining Company of India, Ltd.

Mr. A. Sundaram Mudaliar, Assistant Commissioner of Labour, Kolar Division, Kolar Gold Fields, was present on all the dates. Mr. B. G. Appadorai Mudaliar, Commissioner of Labour in Mysore, was present on the 4th and 5th October 1945.

5. The demands in the notices of change being almost the same, and the Labour representatives having desired and the Managements having no objection, all these cases were taken up and proceeded with together.

6. At the outset, Mr. K. Chengalaraya Reddy, President of the Champion Reef Mines Labour Association, explained the demands on behalf of all the Labour Associations. He stated that the wages paid at present to the labourers inthese Mines were very low, as compared with the nature of the work they were engaged in, and that, in spite of many years of service, several labourers were getting very low wages, and that the labourers being ignorant of their rights and privileges were not able to urge their claims properly and in time; that the Managements did not raise the wages in spite of the Companies making huge profits and distributing enormous dividends and that the labourers now feel that, in view of the

rise in their standard of living, the basic wage that is paid is very inadequate, being less than nine annas per day, and should, in the circumstances explained, be raised to not less than twelve annas in the case of Surface worker and not less than fourteen annas in the case of Underground worker. He added that an Indian worker in the Gold Mines in South Africa was paid Rs. 2-4-0 per day, though there was not much difference in the nature and quality of work done.

7. For this, the Managements explained that the labour in South Africa Gold Mines cannot be compared to the labour in the Kolar Mines here, and that the conditions differed vastly between the two, and that the South Africa labourer was more efficient than the Kolar Gold Fields labourer. Besides, the system of employment there was entirely different in as much as the labour in South Africa was indentured labour, so much so. the labourers there did not enjoy the same freedom as those here are enjoying; the workers there were required to be within their areas all the hours and were not allowed to be with their families, and were not having several other amenities which the labourers here were enjoying. The Labour representives urged, that as long as the number of hours of work, and the nutare and quality of work was the same, the wages should also be the same as there.

8. It was next remarked by the Labour representatives that the cost of living in Kolar Gold Feilds had gone high and is more than that in any other place in Mysore State and that a large number of workers here were getting only nine annas a day. The Managements said that it was not nine annas and that the workers are now getting twelve annas per day. The Labour representatives pointed out that twelve annas referred to by the Managements was not the basic wage (which was in question) but included other allowances, (such as, dearness allowance or attendance bonus). The Managements contended, it did not matter in what name it was paid, so long as the entire amount went to the hands of the worker and was available for his expenditure. The Labour representatives pointed out that what the Associations were urging was not the gross amount a worker got, but the basic wage only, as the standard of living had gone high and would not go down when allowances given for special reasons are discontinued, and that even according to the Report of 1930 of the Special Enquiry Officer (Mr. M. A. Srinivasan) Rs. 25 per month would be the minimum wage that should be paid to a worker on the Field, and that conditions had changed considerably since and increased the cost and standard of living and that a Surface worker should be paid now, in he present state of things, a minimum basic wage of at least twelve annas a day, and that, for an Underground worker, the minimum basic wage should be at least fourteen annas a day. The Managements replied that both the India Government and the Madras Government had considered that in view of the present unsettled and fluctuating conditions, this is not the proper time to go into the question of fixing the basic wages, just at present, and that the gap may be filled up by adjusting Dearness Allowance. The Managements added that the present demands would mean an additional expenditure of not merely one lakh of rupees as stated by the labour representatives but 20 lakhs of rupees, per year. The Labour Representatives stated that if the principle of increasing the basic wage is accepted by the Managements, the details may be settled by mutual consent. It was also urged by Mr. K. Chengalaraya Reddy that acceptance of their present demands by the Managements would not, after all, affect materially the net profits, of the Companies as the main portion of the profits, to the extent of 75 per cent are being surrendered to the Government by the Companies in the shape of Income-tax, Super-tax, etc., and that if the Companies gave an increase in the basic wage, as demanded, it would not seriously affect their financial position, especially now as the Gold Duty Amendment Act was passed, whereby the Companies could claim relief from Government. The Managements argued that the price of gold was going down, and that in the present uncertain economic conditions, it was very difficult to consider the question of increase in basic wages.

9. The Labour representatives desired information and figures from the Managements on several particulars, (as in the form given by the Associations), about these items, *viz.*, the details of existing classes of employment, the total number of workers in each class, the basic wage rates, scales and grades, in respect of both Underground and Surface workers; the number of workers with their years of service, total wage bill for a specified month in each of the years 1943-44, details of the several items for the year 1943, month by month; information regarding promotion given, increments in basic wage effected in the year 1943 (under different headings and classes); information about total capital invested, and details for the years 1937 to 1944, year by year, under working costs out-put value, profits, dividends, reserve and depreciation funds, wage bill for workers and for clerical and supervisory staff, average price of gold in India; total amount paid by way of service gratuity, compensation, etc., for the years 1921 to 1944, year by year; total costs incurred for providing housing facilities, etc., for the years 1931 to 1944, year by year, etc. They desired information on all these items in order to enable them to study the exact conditions at present and to discuss and argue their demands. The Managements stated that it would involve great labour and much time to collect information and compile statements on all these particulars and that many things therein had no bearing on the present question, and that they (Managements) would furnish information on the relevant and necessary points, as far as possible, if the exact requirements are intimated by the Associations. The Labour representatives then gave a modified list of items on which they wanted information from the Managements. The Managements furnished to the labour representatives the information and figures, available on hand, *i.e.*, a statement of average cost per man, based on four months costs, January to April 1945, in respect of each Mining Company. These statements showed figures under average monthly cost (per man) and average cost per man shift (under surface and underground), Contract and Company Labour, in respect of (*a*) average shift per month, (*b*) payments in hand (under wages Attendance Bonus, Dearness Allowance, Leave pay and other items), (*c*) items of insurance nature (under sick pay, Medical Establishment, Service Gratuity and other items). (*d*) statutory allowances, together with information as to the actual number of men on roll (average for four months), number living on the Mines, etc. According to the statement, the total average monthly cost per man, working for example in the Oorgaum Mine, came to Rs. 40, and annas 2·63, out of which he received total payments in hand of Rs. 31, and annas 9·52, the wages amount being Rs. 17, and annas 5·05. The Managements agreed to furnish whatever other information was possible and necessary.

10. In regard to the point raised by the Labour representatives regarding schedule of wages, the Management stated that a Committee had been set up to examine the wage schedule and that the schedule would be published and that any settlement that may be arrived in the course of these conciliation proceedings would also be incorporated therein. The Managements added that they were collecting statistics about wages, etc., obtaining in other Industrial Concerns, for purposes of comparison. The labour representatives argued that there was no similar or comparable Mining Industry in the State and that the conditions in the Kolar Gold Field, Gold Mining Industry are of special nature with much risk to life, and cannot be compared to the conditions obtaining in other types of industries and that the full information that they had asked for was required for the discussion of the demands' The Managements stated that the question had to be examined with reference to these factors, *viz.*,:—

1 Customary and prevailing wages;
2 labour supply and demand;
3 the capacity of the industry to pay
4 value of services rendered;
5 the standard of living.

11. At this stage both sides wanted a short adjournment. The Managements stated that they would depute their Labour Officer to several important Industrial Concerns in the State to collect statistics of wages and conditions. The Labour representatives stated that they would also collect statistics from other concerns. The proceedings were thereupon adjourned to the 4th October.

12. On the 4th October and the subsequent date, the proceedings were continued. The Labour representative wanted to know if the Managements had collected the statistics about wages, etc., from the several Industrial Concerns and compiled the information on the items asked for, on the previous date, and, if so, that may be placed on the table. The Managements stated that their Labour Officer who had been deputed to collect the statistics had returned only the previous day, and that it would take some time to tabulate the information collected, and that the information asked for, in the modified list, had no bearing on the notice of change and that the statement already given by the Managements to the Labour representatives contained all the relevant information required for the purpose. The Labour representatives contended that what they had asked for had a bearing on the notice of change, as the notices of change demanded fixing of minimum and maximum wages, for which information on classification

of labour was essential, and that, if the Managements contended that present system of wages is working properly and there are people who are getting more than Rs. 2 per day, the Associations on the other hand, would show that there are many labourers who have not obtained increments for some years and that a good number of workers are still getting only nine annas, ten annas and eleven annas a day, from a long time, and that further, that information would enable the Association to know the financial implications in the demands made. Mr. Morrison, on behalf of the Managements, suggested that the general standard of wages obtaining in the Kolar Mines and in other Industries may be examined. Mr. Govindan stated that the Association had also been collecting statistics on these points and that the wages paid by the Mines do not compare favourably with the wages obtaining in the Hindustan Air Craft at Bangalore. The Managements pointed out that the Hindustan Air Craft cannot be compared with the mines and that the employment in the Hindustan Air Craft was of a temporary nature, and that in some cases, the Kolar Mining Companies were also paying Rs. 1-10-0 and even more per day and that the average earning of a labourer here worked up to Rs. 33-10-0 per month and cannot be said to be low. The Labour representatives urged that to arrive at the average cost and the minimum basic wage rates, what should be taken into account are the capacity of an average worker, his family budget and his mode of living, and that the Medical and such other expenses incurred by the Companies in the interest of the Mines should not be taken into calculation in this respect. They (Labour representatives) said that the Associations had collected certain statistics regarding the cost of living of a few families on the K. G. F. and studied the question. A detailed statement of Family Budget of a family with 3 adults and 2 children was filed. According to that, the monthly earnings and expenses came to Rs. 41-10-0 and Rs. 68-4-6, respectively, showing a deficit of Rs. 26-10-6, per month. The Labour representatives suggested that these figures should be taken into calculation in fixing the basic wages of a worker here. The Managements contended that much weight cannot be placed on that statement of family budget, as certain items of expenditure shown therein (*e.g.*, Rs. 6 on spices and salt per month) had been put up very high, and that, above all, it cannot be believed that the family is managing every month with a deficit of Rs. 26 per month and is going into debt or would get loans, every month. The Labour representatives stated that, any way, Rs. 68-4-6 represented the average monthly cost of maintenance now, and that the cost of living in K. G. F. has greatly increased by 2½ times from what it had been estimated (*i.e.*, at Rs. 25 a month) in 1930 in the report of the Special Enquiry Officer, and that the wages that the labourers are getting now are more or less the same as them. The Managements observed that there are a large number of workers on the Field, living on Rs. 20 per month, and contended that the minimum wage rate would depend upon the factors of the nature of service, and the capacity of industry to pay, and that other points like standard of living would come next.

13. The Labour Representatives referred to the statement furnished by the Managements showing the average monthly cost per man, and wanted to know if the average monthly wages of about Rs. 18 could be considered as adequate. The Managements stated that, by way of supplementing the wages, they were paying Attendance Bonus and Clothing Allowance, and also giving other benefits. The Labour representatives observed that it was quite necessary to raise the basic wages taking into consideration both pre-war standard of living and the present standard and that the payment of other allowances was necessitated by special considerations and should not be taken into account in determining the basic wage.

14. The Managements remarked that the allowances paid and the facilities provided to the labourers meant also much cost to the Companies and cannot be ignored, and that a payment of Rs. 32, in all, per month including allowances, to a labourer cannot be said to be inadequate, as compared with payment made in other industries. The Labour representatives referred to the statistics collected by them in respect of the Mysore Iron and Steel Works, Bhadravathi, and stated that there in Bhadravathi, an unskilled labourer gets from twelve annas to Rs. 1-2-0 per day and a skilled labourer Rs. 1-4-0 to Rs. 3-0-0 per day. Mr. Lindsay for the Managements compared the figures, item by item, and stated that the Kolar Mines were giving greater facilities and higher payments to the labourers.

15. A lengthy discussion followed as to the data required in respect of the demand for higher wages. The Labour Commissioner observed that collection of data was very important and necessary for a proper consideration of all the questions involved in these demands. He suggested to the Labour representative to collect authentic wage rates in other industrial concerns and he offered to provide them with necessary facilities for the purpose. The Managements stated that they would collect further statistics about wages and conditions, etc., in some more industrial concerns and that they had no objection if the Labour representative accompanied their representative for the purpose.

16. After further discussion, the Labour representatives stated that there was no use in arguing on the wage level prevailing elsewhere, and that what they wanted was an increase in basic wages with all the existing facilities. The Managements stated that for considering the question from all points of view, the conditions in other concerns have to be studied and data collected, and that some time was necessary for the purpose. The Labour representatives suggested that the Wage Schedule for 1940-42 of the Mining Companies which had been prepared on certain basis may be adopted as the basis for revision, with reference to the present standard of living, etc. They said that there was no need to collect statistics on wages in other concerns and that no adjournment was necessary. The Managements stated that it would not be a proper approach and that it is quite essential to collect and consider the basic wages prevailing elsewhere, in order to judge the issue on the present demands, and that, besides, other factors such as, standard of living, prevailing wages of the workers, capacity of the industry to pay, and the demand and supply of labour should also be taken into consideration in arriving at a decision on the demands, and that some time was really necessary for this purpose and that the proceedings may be adjourned to a later date. The Labour representatives said that they were not agreeable to an adjournment asked for by the Managements, and that the proceedings may be terminated as failure, if the Managements cannot concede the demands now or at least announce immediately a general increase of wages without prejudice to the notice of change. The Managements said that no announcement could be made immediately, that they are still considering the demands, and that some time is needed to examine the issue in all aspects and give the decision in the matter, and that an adjournment may be granted to enable the Managements to come to a decision. After further discussion the Labour representatives said that they could not accept this position and agree to an adjournment, and that they pressed the demands in the notice of change and that the proceedings may be terminated as having failed.

17. As (*a*) the Managements had not refused the demands but only wanted time for examination and decision, and (*b*) there was still scope for settlement by the grant of an adjournment asked for, and (*c*) under Rule 22 of the Labour Rules, adjournment of the proceedings to a date within the prescribed period is allowable, and (*d*) there was still time left till the end of this month (October), I held the proceedings could not at this stage be treated as having failed and that an adjournment could be granted. The proceedings were accordingly adjourned to the 29th October.

18. On the adjourned date (29th October) and the next day, the proceedings were resumed and continued.

19. Mr. Bonn White, on behalf of the Managements read out a Note, (subsequently filed and copies handed to the Labour representatives) in which it was stated thus :—"The statements (showing the comparison in the wages structure between the Kolar Mines and other Industries in the State) are now complete and are being carefully examined. From the first study of the figures collected, it would seem that wages paid by the Mines compare favourably with other industries..... With regard to the Notices of change which have been (since) issued to the Mines' Management, but which have not yet come before the Conciliator, it is the opinion of the Managements that a satisfactory settlement could be arrived at by a consideration of these demands as well as the question of increase in wages. The Managements consider that some of the demands are beyond the capacity of the Mines to grant, but others they may be prepared to meet in some degree. Any new or revised schemes for the improvement of the service conditions on the Field demand a great deal of discussion and consideration by the Managements and, above all, any improvements in service conditions have to be examined most carefully from the financial stand-point. It is the earnest hope of the Managements that the Associations will co-operate by exercising patience and promoting peaceful relations between the present time and the announcement of any changes which the Managements may be able to introduce. The financial implications of the changes, now being considered by the Managements make it imperative that due time

shall be available for their full and earnest examination..... It is, therefore, the considered opinion of the Managements that Conciliation proceedings had best be suspended until they are in a position to announce whatever concessions to their employees they are prepared to introduce."

20. The Labour representatives stated that they were not agreeable to any further adjournment or any suspension of the proceedings as the labourers were anxiously waiting for a settlement without further delay. They said that the matter may be discussed on the statistics since collected.

21. As desired by Labour representatives, a statement of comparison of Mines, Field and other Industries, showing the wage structure, earnings and other benefits per shift, in each, under, " Direct payments," " Special Allowances," "Services" "Men on Roll", "Shifts worked" and "Average Shifts per man," was given to each Labour representative, and was also filed for record. There was discussion on the comparative figures in the statement. Finally, the Managements stated that they were going through the whole issue and that their decision would be announced in about a fortnights' time and that the proceedings may be adjourned by a fortnight.

22. As the prescribed period to conclude the proceedings would expire by the close of the next day (30th October), it was not, possible, under the Act and Rules, to adjourn beyond the next day, unless the other party (*i.e.*, the Labour Associations) agreed to an adjournment beyond that period. The Labour representatives, after discussing and taking about 3 hours time, filed a written statement by way of a reply to the Note of the Managements and stated that an adjournment would not satisfy the labourers, and they cannot agree to it and that, "in these circumstances, the Conciliation will end in a break but we can assure the Superintendents that on our part we will always be ready to discuss with them any new proposals that might be made by them for the amelioration of the situation even if the proceedings have ended in a break."

23. The Managements assured their earnest and sympathetic consideration of the demands as far as possible and promised to announce whatever concessions they are able to grant, and desired a fortnight's adjournment to enable them to announce their decisions. They added that they had already accepted the principle of minimum and maximum wages and had no intention of departing from it and that, as regards the point of periodical increments, they were considering other ways of granting increments.

24. In view of this assurance of the Managements and of the chances of a settlement, and of the aim of the Conciliation proceedings being to bring about an amicable settlement between the parties, it was suggested to the Labour representatives that they may consider it over. The Labour representatives stated that they had considered and could not agree to an adjournment asked for by the Managements, but would continue to maintain a good atmosphere even after break, till the decisions are announced and would be prepared to discuss the subject with the Managements. In the end, when asked to consider it over again as to the request of the Managements for adjournment, they (Labour representatives) said they would consult the labourers further and intimate on the next day. Time was accordingly given, and on the next day, they came and intimated finally that the labourers were not for an adjournment and that the proceedings may be terminated.

25. Thus the request of the Managements for an adjournment beyond the prescribed period was not agreed to by the Labour Associations. All possible ways of settlement were explored, but no settlement between the parties within the prescribed period could be brought about in regard to the Notices of change.

26. So, the proceedings ended in failure, which I hereby report.

27. I request that this report may be published in the Gazette, as required under sub-section (4) of section 12 of the Mysore Labour Act.

I have the honour to be,
Sir,
Your most obedient servant,

2791 M. NAVANEETHAM, *Chief Conciliator.*

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